



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Adopt Resolution Authorizing the City Manager to Enter into a Third Amendment to the World of Wonders Science Museum Lease

MEETING DATE: February 3, 2010

PREPARED BY: City Manager

RECOMMENDED ACTION: Adopt resolution authorizing the City Manager to enter into a Third Amendment to the World of Wonders (WOW) Science Museum lease.

BACKGROUND INFORMATION: The City of Lodi received the attached letter from the Board of Directors of the WOW Science Museum requesting that the Council consider amending the current lease agreement and their

Specifically, the WOW Board requests the Council:

- A) Extend the commencement of rent obligations by one additional year - (The current agreement calls for rent in the amount of \$1,030.00 per month to begin in February 2010); and,
- B) Freeze the indexing of rent increases for one additional year. The rent is to increase annually by the Consumer Price Index or 2.5 percent, whatever is larger.

The WOW Museum entered into an agreement with the City Council on August 2, 2006 to develop the "shell" space attached to the downtown parking garage as an interactive science museum focused on children. Prior to this agreement, the City had unsuccessfully marketed the space for retail use.

The WOW has engaged in a very successful campaign to raise funds and has invested \$550,000 in improvements, plus in-kind contributions. They have a collection of exhibits via the Exploratorium and opened on March 6, 2009. However, the museum is requesting more time to raise operating capital. The economy has been a problem for fund-raising.

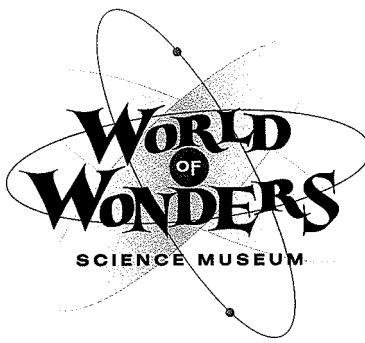
FISCAL IMPACT: All rent proceeds benefit the Transit Fund pursuant to the City's funding agreement with the Federal Transit Administration. The Transit Fund would forgo approximately \$12,360 in annual rent. On the other hand, the City has received over \$550,000 in improvements to its asset. It appears as though the WOW will be a downtown attraction that will add to the economic vitality of Sacramento Street and help to draw visitors to downtown Lodi. In addition, it is expected the WOW retail store will produce future sales tax revenue.

FUNDING AVAILABLE: Not Applicable


Blair King
City Manager

Attachments

APPROVED: 
Blair King, City Manager



RECEIVED
JAN 26 2010
CITY MANAGER'S OFFICE

January 26, 2010

Blair King
Lodi City Manager
PO Box 3006
Lodi, CA 95241

Dear Mr. King,

The **Board** of Directors and **Officers** of the World of Wonders (WOW) Science Museum are requesting that the lease agreement between the City of **Lodi**, a municipal corporation, and the World of Wonders Science Museum, a California Nonprofit Corporation, be deferred for another year, commencing **2011**.

The WOW **opened** its doors on March **6, 2009**. Over 3,000 school children have attended field **study** trips at the museum. We have drawn students **from as far away as** Tracy, the foothills, up to Elk Grove and beyond. Almost **1,400** children have attended the science-themed birthday parties. In addition, more than **10,000** paid guests have visited during our public hours of operation. The WOW **has** been a destination for many out of town tourists and has become a wonderful asset to the City of Lodi.

The majority of privately owned museums across the country are financially supported by their local school districts, cities and counties. **The** Davis Explorit is a prime example of a city funded museum. With the down **turn** of the economy in 2008, donations to the World of Wonders Science Museum dropped off drastically. The financial support has not yet stabilized, but the WOW Board is very encouraged that in **2010** the economy will **turn** a bit and more grants and community based donations will help to keep the doors open.

With one full time employee, one part time employee and many dedicated volunteers we believe **that the WOW museum will be** a part of the City of **Lodi** for many generations to come. We are asking **that you consider deferring the** lease for another year so we may continue to compliment the science **education of our children throughout** the whole Central Valley and Foothills.

Sincerely,

Sally Snyder
President of the World of Wonders Science Museum

President
Sally Snyder

Vice President
Dan Ingram

Treasurer
Mark Chandler

Secretary
Christina Wilson

Board of Directors:
Dr. Kathryn Beckman
Jay Bell
Randall Blank
Corey Daniel
Barbara den Hartog
Jerry Fry
Wally Sandein
Walt Wolterstorff
Kathy Wooton

Tax Identification
Number: 20-3075595
501(c)(3)
Non-Profit Corporation

"The mission of the World of Wonders Science Museum is to offer hands-on science-based exhibits and programs to stimulate discovery for all ages."

THIRD AMENDMENT TO LEASE AGREEMENT

WORLD OF WONDERS SCIENCE MUSEUM

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THIS THIRD AMENDMENT TO LEASE AGREEMENT, entered into this ____ day of _____, 2010, by and between the CITY OF LODI, a municipal corporation ("City"), and the World of Wonders Science Museum, a California Nonprofit Corporation (Tax ID No. 20-3075595) ("The WOW or "Lessee") shall be as follows:

WHEREAS, the parties entered into a Lease Agreement dated February 1, 2007 to allow the construction of Tenant Improvements for and the operation of a Science Museum and Museum Store by The WOW in the Lodi Parking Structure space owned by the City and Council approved a FIRST AMENDMENT dated on December 19, 2007; and a second Amendment dated February 4, 2009; and

WHEREAS, the Lease Agreement as amended requires that the payment of rent commence by February 1, 2010;

WHEREAS, The WOW has completed construction of the north half of the Tenant Improvements, and opened for business.

WHEREAS, in recognition of WOWs efforts and expected successful fundraising campaign, the Parties wish to extend WOWs deadline for the rent commencement date.

NOW, THEREFORE, BE IT AGREED AS FOLLOWS:

1. Effect of Amendment.

Except as expressly modified herein all terms of the Lease Agreement shall remain in full force and effect.

2. Rent: Paragraph six of the Lease Agreement shall be amended to read:

No rent shall be required to be paid until February 1, 2011. Starting February 1, 2011 the WOW shall pay rent in the amount of \$1,030.00 monthly (which is the equivalent of \$1.29 per square foot rent per month for the estimated 800 square foot Museum Store.) to City.

The WOWs monthly rental payment shall increase in each year of this Lease based upon the annual percentage change of The Consumers Price Index for All Urban Consumers (All Items), San Francisco-Oakland-San Jose Average, as published by The United States Department of Labor Statistics, for the month prior to the date the payment is due. Notwithstanding the foregoing, for any given year, The WOWs monthly rental payment shall increase by no less than 2.5%, and no more than 5.0%, per year.

3. FTA Approval: This lease amendment is subject to approval by the Federal Transit Administration.

IN WITNESS WHEREOF, the parties hereto have set their hands the day and year first hereinabove mentioned.

CITY OF LODI,
a municipal corporation

WORLD OF WONDERS SCIENCE MUSEUM,
a California Nonprofit Corporation


BLAIR KING, City Manager

By _____
SALLY SNYDE, President

ATTEST:

RANDI JOHL, J.D., City Clerk

APPROVED AS TO FORM:

D. STEPHEN SCHWABAUER
City Attorney 

RESOLUTION NO. 2010-13

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING
THE CITY MANAGER TO ENTER INTO THIRD AMENDMENT
TO WORLD OF WONDERS SCIENCE MUSEUM LEASE

WHEREAS, the World of Wonders (WOW) Museum entered into an agreement with the City Council on August 2, 2006, to develop the "shell" space located attached to the downtown parking garage as an interactive science museum focused on children; and

WHEREAS, the WOW has engaged in a very successful campaign to raise funds and has invested \$550,000 in improvements, plus in-kind contributions. It has a collection of exhibits via the Exploratorium and is open; and

WHEREAS, the museum is requesting more time to raise operating capital due to the existing economy, which has effected fund raising efforts; and

WHEREAS, the Board of Directors of the WOW Science Museum has requested that the City Council consider amending the current lease agreement as outlined below:

- A) Extend the commencement of rent obligations by one year – \$1,030.00 per month to begin in February 2010; and
- B) Freeze the indexing of rent increases for one year – The rent is to increase annually by the Consumer Price Index or 2.5% whatever is larger.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the City Manager to enter into a Third Amendment to the WOW Museum Lease as outlined above; and

BE IT FURTHER RESOLVED that this lease amendment is subject to approval by the Federal Transit Administration.

Dated: February 3, 2010


I hereby certify that Resolution No. 2010-13 was passed and adopted by the City Council of the City of Lodi in a regular meeting held February 3, 2010, by the following vote:

AYES: COUNCIL MEMBERS – Hansen, Hitchcock, Johnson, Mounce, and Mayor Katzakian

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None


RANDI JOHL
City Clerk